

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
WESTERN DIVISION

NORTHWEST PALLET SUPPLY CO.,	)	
	)	
Plaintiff,	)	Case No.: 15-cv-50182
	)	
v.	)	Honorable Frederick J. Kapala
	)	
PECO PALLET, INC.,	)	Magistrate Judge Iain D. Johnston
	)	
Defendant.	)	

**AMENDED COMPLAINT**

Plaintiff, Northwest Pallet Supply Co. (“Northwest Pallet”), by its undersigned attorneys, Tarpey Wix LLC, for its Amended Complaint against Defendant, PECO Pallet, Inc. (“PECO”), states as follows:

**NATURE OF THE CASE**

1. PECO is one of the largest manufacturers and suppliers of wood pallets in North America. Northwest Pallet is a family-run pallet supply management company specializing in recycling, remanufacturing and repairing wood pallets that are purchased and collected from its network of large national retailers such as Home Depot, Walgreens and Target. For years, and through its Total Pallet Solutions business that it provides to its national retailer customers, Northwest Pallet has collected, sorted and returned pallets manufactured by PECO which were abandoned by PECO’s Consumer Packaged Goods (“CPG”) customers at national retailers like Home Depot, Walgreens and Target. Northwest Pallet has always returned the PECO manufactured pallets to the nearest PECO distribution center and PECO has been providing compensation to Northwest Pallet over the years to perform these services. Recently, however, PECO informed Northwest Pallet that it was now unilaterally discontinuing its commitment to pay \$2.25 per returned pallet under its publicized Asset Recovery Program (“ARP”) and that

instead it expected Northwest Pallet to continue to collect, sort and return PECO's pallets now for only \$0.20 -- less than one-tenth of what PECO had agreed to pay under the ARP. However, the true intent behind PECO's abrupt "about face" is based on PECO's attempts to pass on its business costs to Northwest Pallet (and other pallet recyclers) and to interfere with Northwest Pallet's contracts and relationships with its national retailer customers in order and take over the "Total Pallet Solution" business that Northwest Pallet provides to those retailers while utilizing its prominence as one of the largest pallet manufacturers as leverage to force Northwest Pallet out of the market.

2. Recently, in furtherance of its efforts to strong-arm Northwest Pallet into its unilaterally "revised" compensation structure for the return of its pallets, PECO has blatantly refused to pick up several loads of its pallets which have collected at Northwest Pallet's facility. Despite the fact that Northwest Pallet has informed PECO on several occasions that numerous loads of its red wood pallets were available for pick-up with "no strings attached", PECO has refused to retrieve the pallets and instead has focused its efforts on creating a false paper trail that Northwest Pallet is somehow "holding PECO's pallets hostage." PECO has taken its scheme a step further by even refusing to accept purported PECO pallets from other pallet recyclers across the country. Rather than accept PECO pallets from other recyclers throughout the U.S., PECO accuses these other recyclers of wrongfully withholding PECO pallets on behalf of Northwest Pallet. PECO's refusal to accept delivery of pallets is systematically designed to overwhelm and substantially burden the smaller pallet recyclers around the country, forcing these recyclers into accepting significantly less money for their hard earned efforts and incurred costs in retrieving and returning pallets to PECO. The causes of action alleged herein, including the request of a declaration that PECO has abandoned its pallets by refusing to retrieve them

from Northwest Pallet's facilities, arise from PECO's unlawful attempt to withhold compensation due Northwest Pallet for services it provides to PECO in returning PECO's pallets which were abandoned in the marketplace and from PECO's interference with Northwest Pallet's relationships with national retailers and other pallet recyclers in an attempt to shift PECO's significant business expenses related to pallet collecting to recyclers like Northwest Pallet.

### **PARTIES**

3. Northwest Pallet is an Illinois corporation with its corporate headquarters in Belvidere, Illinois.

4. PECO is a Delaware corporation with its corporate headquarters in Irvington, New York.

### **JURISDICTION AND VENUE**

5. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332 as the matter in question exceeds the sum of \$75,000.00 and involves citizens of different states. This Court has supplemental jurisdiction over the state law claims pursuant to 28 U.S.C. § 1367.

6. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b) because a substantial part of the events or omissions that give rise to this case occurred in this District.

### **FACTS COMMON TO ALL COUNTS**

#### **A. PECO's Pallet Business and Asset Recovery Program**

7. As alleged above, PECO is one of the largest manufacturers and suppliers of wood block pallets in North America. Specifically, PECO manufactures "red wood block pallets," which, as the name suggests, are painted bold red and marked with PECO's logo. PECO claims that its red wood block pallets are much stronger and more durable than

conventional stringer pallets and that PECO's standard Grocery Manufacturers Association (48" x 40") pallets are designed to hold up to 2,800-pound loads.

8. Rather than sell its pallets to its customers, PECO "rents" its pallets to its customers for a fee and, on information and belief, does not require its customers to return the pallets even though they are only "rented" by the customer. Instead, on information and belief, PECO represents to its customers that once the pallets are released into the marketplace and delivered to national retailer distribution centers, PECO will take on the obligation of recovering its red wood block pallets for a fee.

9. In light of PECO's business model of not requiring its customers to return the pallets they rent from PECO, on or about October 2013, PECO announced its ARP to Northwest Pallet. (A copy of PECO's correspondence dated October 2013 announcing its ARP is attached hereto as Exhibit 1.) PECO's ARP, which was publicized and offered to pallet recyclers across the country, including Northwest Pallet, was designed to recover rented pallets that end up at national retailer distribution centers and ultimately with a pallet recycler such as Northwest Pallet. According to the ARP, PECO agreed to pay pallet recyclers \$2.25 per red pallet returned to PECO by the pallet recycler or \$1.25 per red pallet if loaded onto a PECO truck. Specifically, PECO's ARP provides:

If you receive a large number of PECO pallets and want to return them to our service center in your area, PECO will compensate you at the rate of \$2.25 per pallet plus a Fuel Service Charge based on the US Energy Information Weekly Retail On-Highway Diesel Prices. (Exhibit 1.)

**B. Northwest Pallet's Pallet Recycling and Total Pallet Solutions Business**

10. Northwest Pallet is a family-run pallet supply management company specializing in recycling, remanufacturing and repairing wood pallets that are purchased and collected from its network of large national retailer customers such as Home Depot, Walgreens and Target.

Northwest Pallet frequently collects pallets from its retailer customer distribution centers, sorts them according to type of pallet (*i.e.*, standard white wood pallets, PECO's red wood pallets and blue pallets manufactured by CHEP USA, another pallet manufacturer). If necessary, Northwest Pallet makes repairs to some of the pallets it collects or, if the pallet is damaged beyond repair, Northwest Pallet breaks down the pallet into reusable lumber.

11. Northwest Pallet provides its Total Pallet Solutions to its national retail customers to eliminate the process of sorting the pallets that ultimately end up at a retailer's distribution center. In short, because PECO's business model did not require the rented pallets to be returned by its customers, national retailers spend significant time, money and resources in sorting pallets (separating the white, red and blue pallets) to make sure the red pallets were returned to PECO.

12. While historically Northwest Pallet was servicing these national retailers for purposes of recycling the standard white wood pallets, because of the significant time and expense incurred by the national retailers without any compensation for those efforts, several national retailers approached Northwest Pallet about providing a Total Pallet Solution so that Northwest Pallet could service all pallets collected at the distribution centers -- white, red and blue.

13. Relying on the ARP offered by PECO and PECO's unequivocal promise to reimburse pallet recyclers \$2.25 per pallet for each red wood pallet returned to PECO, Northwest Pallet entered into agreements with several of its national retailer customers to handle all pallets at each facility for a fixed cost which was determined and agreed upon based on the ARP rate PECO had promised to pay recyclers for returning its red pallets.

14. Northwest Pallet has expended significant resources, time and expense in providing Total Pallet Solutions to its customers, which includes the collection, sorting and return of red wood pallets to PECO under the ARP.

15. Since implementing the Total Pallet Solutions program, Northwest Pallet has diligently and timely returned red wood pallets to PECO in exchange for the compensation PECO agreed to pay. And, until recently, PECO generally compensated Northwest Pallet the amounts it had agreed to pursuant to the ARP in a relatively timely manner.

**C. PECO Abruptly Reneges On Its Payment Obligations Under the ARP and Refuses to Retrieve its Pallets from Northwest Pallet Facilities**

16. Without any notification or warning whatsoever, Northwest Pallet received a letter dated May 12, 2015 from PECO's outside litigation counsel, informing Northwest Pallet that it was no longer going to be compensating Northwest Pallet for its services in returning pallets to PECO under the terms previously promised by PECO and that, somehow now, PECO legally owed nothing to Northwest Pallet for the services of collecting, sorting and returning the red wood pallets to PECO. However, PECO asserted it would be willing to pay Northwest Pallet \$0.20 per pallet returned to PECO going forward -- less than one-tenth what it had promised to pay and had been paying for years agreed to pay .

17. Once Northwest Pallet voiced its objection to PECO's attempts to unilaterally change the payment terms of the ARP, PECO, again through its counsel, informed Northwest Pallet that its offer to only pay \$0.20 per pallet is a "number that will not move" and that Northwest Pallet had to return PECO's pallets under PECO's unilaterally asserted "revised" compensation arrangement in order to avoid "costly and time-consuming litigation."

18. Further, despite PECO's unsupported, self-serving accusations that Northwest Pallet has been holding PECO's pallets "hostage," Northwest Pallet has continued to collect, sort

and return (or attempted to return) PECO's pallets. However, now, in addition to refusing to pay the compensation due Northwest Pallet for the collection, sorting and return of PECO pallets, PECO has recently refused on several occasions to retrieve its pallets from Northwest Pallet's facilities even though Northwest Pallet has repeatedly informed PECO that several loads of its pallets were available for pick-up without any strings attached. Instead of simply picking up the pallets, and in furtherance of PECO's transparent effort to inaccurately portray Northwest Pallet as refusing to return PECO's pallets, PECO continues to refuse to pick up the pallets and continues its false paper trail campaign that Northwest Pallet is "holding PECO's pallets hostage."

19. By way of recent examples, on July 15, 2015, Northwest Pallet's customer service representative informed PECO that four loads of PECO pallets were available for pick up. On July 17, 2015, two PECO drivers arrived at Northwest Pallet's Belvidere, Illinois facility to apparently pick up PECO pallets but refused to do so when they were informed that, in light of PECO's position outlined in its counsel's May 12, 2015 letter refusing to further compensate Northwest Pallet for returning PECO's pallets under the previous terms, PECO would have to load its own pallets. The two drivers declined and left. Then, on July 27, 2015, Northwest Pallet again contacted PECO about pallets available for pick up at Northwest Pallet's Belvidere facility and PECO did not respond. Northwest Pallet followed up again on July 29, 2015 about the several loads of PECO pallets which needed to be picked up and which were collecting in numbers that were impacting the other operations of Northwest Pallet's business. After receiving no response from PECO, on August 4, 2015, Northwest Pallet customer service department sent another email again with respect to the growing number of PECO pallets collecting

at Northwest Pallet's facilities and, again, by the date of the filing this Complaint, received no response from PECO.

20. Continuing its tireless efforts to return the pallets it collected to PECO, Northwest Pallet, on multiple occasions, contacted PECO and informed PECO that the pallets were available to be picked up from Northwest Pallet's Belvidere, Illinois facility with "no strings attached." These offers were met with either silence or sham conditions used to mask PECO's refusal to accept Northwest Pallet's clear offer to have the pallets picked up.

21. PECO has continued its scheme and strong-arm tactics to stifle the pallet recycling industry by steadfastly refusing the return of pallets, which PECO voluntarily allows its customers to release into the market and not return to PECO, from numerous recyclers around the country and asserting a feigned claim that these recyclers are wrongfully withholding PECO pallets on behalf of Northwest Pallet. By refusing to accept delivery of these pallets, PECO is attempting to force the pallet recyclers to accept payments that are significantly less than the cost and expense incurred in retrieving those pallets on PECO's behalf.

22. On August 12, 2015, PECO's coercive measures reached a new low when a PECO employee, accompanied by a purported sheriff, appeared at a pallet recycler demanding information about where the pallet recycler obtained its pallets, accusing the pallet recycler of maintaining pallets on behalf of Northwest Pallet and implying that the pallet recycler was involved in illegal activity.

23. Over the several weeks immediately preceding the filing of this lawsuit, PECO engaged in a further scheme to destroy Northwest Pallet's business by persistently harassing Northwest Pallet's national retailer customers and recycling partners with threats of dragging them into litigation if they continued to do business with Northwest Pallet. PECO



representatives also have falsely informed several of Northwest Pallet's national retailer customers and recycler partners that Northwest Pallet was engaging in some illegal activity. PECO representatives have articulated these threats and made these false accusations of Northwest Pallet through dozens upon dozens of phone calls, emails and even by physically visiting several of Northwest Pallet's national retailer customers and recycling partners.

24. Further, PECO has refused to pay outstanding invoices from Northwest Pallet for services it has provided to PECO in collecting sorting and returning its red wood pallets in the total amount of \$94,572.95. Of that amount, \$49,951.85 is the amount in fees for services incurred prior to the May 12, 2015 letter from PECO's counsel attempting to change the terms of PECO's payment obligations.

25. On information and belief, and based on conversations with its national retailer customers, PECO's true intent by its sudden decision to cease compensating Northwest Pallet and other pallet recyclers under its ARP is to obtain the return of pallets at costs significantly below customary and reasonable amounts and to drive pallet recyclers out of business. PECO knows that by reneging on its agreement to pay recyclers \$2.25 per pallet as PECO agreed to do under its ARP and instead only offering \$0.20 per pallet Northwest Pallet can no longer afford to continue its Total Pallet Solutions business with its national retailer customers. PECO's refusal to pick up or even accept pallets from recyclers, which is designed to strain recyclers' resources until they accept PECO's cut-rate and below-market compensation offers, clearly demonstrates PECO's attempt to usurp Northwest Pallet's customer relationships in order to take over the Total Pallet Solutions business, including servicing not only PECO red pallets but the white wood and blue pallets as well, and force Northwest Pallet, as well as other recyclers, out of the market in the process.

**COUNT I**  
**Declaratory Judgment**

26. The allegations in Paragraphs 1 through 24 are incorporated by reference as though fully set forth herein.

27. During the ordinary course of Northwest Pallet's business as a pallet recycler, Northwest Pallet purchases pallets from manufacturers and distributors. Northwest Pallet purchases these pallets as part of an allotment which Northwest Pallet does not inspect or see before purchasing.

28. Sometimes, the allotment which Northwest Pallet purchases includes pallets from PECO that PECO leased or rented to PECO customers. PECO as part of its business does not require its customers to return the PECO pallets to PECO. Rather, PECO abandons the PECO pallets and allows them to reenter the marketplace.

29. After purchasing pallets, Northwest Pallet recycles the pallets. Northwest Pallet picks up pallets from the selling manufacturers and distributors, sorts them and readies them to be inserted back into the marketplace. Northwest Pallet stores the pallets until other manufacturers and distributors are ready to purchase and use the pallets. Once the pallets are bought, Northwest Pallet delivers them to the purchaser or sets up a pick up location.

30. PECO, having known of Northwest Pallet's recycling, contacted Northwest Pallet and sought Northwest Pallet's services in tracking, collecting and delivering PECO pallets that PECO did not seek the return of from its customers. This "recapture" of pallets was documented in PECO's ARP.

31. Because PECO did not require its customers return PECO pallets to PECO and never enforced contractual provisions, if any, establishing the return of PECO pallets by its

customers, PECO has abandoned tens of thousands of pallets and placed them into the stream of commerce.

32. PECO agreed to compensate Northwest Pallet \$2.25 plus a fuel charge for every PECO pallet Northwest Pallet delivered to a PECO service center. PECO also approved a payment to Northwest Pallet of \$1.25 per pallet for each PECO pallet Northwest Pallet returned to PECO which PECO itself picked up from Northwest Pallet.

33. Northwest Pallet has a legal tangible interest in the pallets it purchases from third parties and in the pallet recovery services it provides to PECO.

34. PECO contends that it owns certain pallets in Northwest Pallet's possession that Northwest Pallet purchased in good faith in the marketplace and is not obligated to pay Northwest Pallet for its recovery services and costs associated with collecting, transporting, sorting and returning the red wood pallets to PECO in connection therewith.

35. There is an actual and justifiable controversy between Northwest Pallet and PECO regarding ownership of certain pallets and compensation owed to Northwest Pallet for its pallet recycling services provided and for that reason declaratory relief is both necessary and proper.

WHEREFORE, Plaintiff Northwest Pallet respectfully requests that this Honorable Court:

a. Issue a declaration that PECO, by allowing its customers to abandon PECO pallets and release them back into the marketplace, and by systematically refusing to pick up pallets from Northwest Pallet's facility despite being repeatedly informed that PECO's pallets were available for pick-up, PECO has no ownership interest in those abandoned pallets and that

recyclers like Northwest Pallet are bona fide purchasers with full and clear title to the abandoned PECO pallets; or, alternatively,

b. Issue a Declaration that Northwest Pallet is entitled to just and reasonable compensation for its services of collecting, sorting and returning pallets to PECO;

c. Issue a Declaration that Northwest Pallet is entitled to just and reasonable compensation for all pallets which have been returned to PECO for which PECO has refused to tender payment;

d. Issue a Declaration that Northwest Pallet has an enforceable lien on all pallets upon which it performed recycling services and/or stored on its premises; and

e. Award Plaintiff such further relief as this Honorable Court may deem equitable and just.

## **COUNT II** **Unjust Enrichment**

36. The allegations in Paragraphs 1 through 24 are incorporated by reference as though fully set forth herein.

37. PECO rents pallets to grocery and consumer goods manufacturers across North America. PECO's clients use the pallets in the ordinary course of their business; however, PECO's customers do not return the pallets to PECO and PECO does not require or seek the return of these pallets from its customers. On information and belief, PECO imposes a surcharge on each of its customers for each pallet leased in exchange for releasing the customer from any obligation to return the pallet to PECO.

38. PECO's customers ship their products on PECO's pallets, which end up at distribution centers throughout the United States, including the distribution centers of Northwest Pallet's customers such as Home Depot, which, in turn, sell all of the pallets which end up at

their distribution centers, including the red wood PECO pallets, to Northwest Pallet as part of the “Total Pallet Solution” program Northwest Pallet has with its customers.

39. Northwest Pallet buys pallets in bulk from its customers without knowing what type of pallet will be included in the purchase. Some of the pallets purchased by Northwest Pallet are PECO pallets, most are not.

40. When purchasing pallets from its customers, Northwest Pallet incurs substantial costs associated with the transportation, loading and unloading, sorting, storage and shipping costs in reselling the pallets, or in the case of PECO, returning the red wood pallets to PECO. Northwest Pallet drives to facilities of the manufacturers and distributors to pick up the pallets. Northwest Pallet unloads and sorts the pallets and gets them into a condition whereby the pallets are ready to be placed back into the marketplace. Northwest Pallet stores the pallets until other manufacturers and distributors are ready to purchase and use the pallets. After the pallets are purchased and ready to be placed back into the marketplace, Northwest Pallet loads the pallets onto trucks and delivers the pallets to the purchasing manufacturers and distributors or, in the case of PECO, returning the red wood pallets back to PECO.

41. Knowing that Northwest Pallet is a respected pallet recycler, PECO contacted Northwest Pallet and sought Northwest Pallet’s assistance in tracking, collecting and delivering PECO pallets that PECO did not seek the return of from its customers. This recovery effort by PECO was part of PECO’s Asset Recovery Program. Seeing that PECO stopped requiring its customers to return PECO pallets to PECO and PECO stopped enforcing contractual provisions necessitating the return of PECO pallets by its customers, PECO had abandoned tens of thousands of pallets and placed them into the stream of commerce.

42. Under PECO's ARP, PECO needed the services of recyclers like Northwest Pallet. For several years, Northwest Pallet has performed its pallet recovery services for PECO.

43. PECO and Northwest Pallet did not enter into a written agreement pertaining to the services Northwest Pallet performed to the benefit of PECO.

44. PECO though agreed to compensate Northwest Pallet \$2.25 plus a fuel charge for every PECO pallet Northwest Pallet delivered to a PECO service center. PECO also approved a payment to Northwest Pallet of \$1.25 per pallet for each PECO pallet Northwest Pallet returned to PECO which PECO itself picked up from Northwest Pallet.

45. Northwest Pallet did not perform these pallet recycling services gratuitously. Pursuant to the words, conduct and actions of PECO, Northwest Pallet transported, unloaded, sorted, stored, loaded and shipped the PECO pallets to PECO on the understanding that PECO would adequately compensate Northwest Pallet for these recovery services.

46. PECO time and again accepted Northwest Pallet's recovery services and paid Northwest Pallet \$2.25 plus a fuel charge for each PECO pallet Northwest Pallet returned to PECO and \$1.25 per pallet for every PECO pallet Northwest Pallet obtained and PECO picked up from Northwest Pallet.

47. On information and belief, there are substantial costs associated with recovering or recycling pallets and PECO passes on these considerable costs onto pallet recyclers like Northwest Pallet. For example, in litigation similar to this case, a pallet manufacturer has been found to owe \$5.00 per pallet for receiving pallet recycling services from a recycler similar to Northwest Pallet.

48. Accordingly, PECO has been unjustly enriched in the amounts incurred by Northwest Pallet for the collection, sorting, transportation, storing, loading and unloading and the

return of each PECO pallet as well as other costs incurred by PECO which are passed on to Northwest Pallet in the pallet recovery process.

WHEREFORE, Plaintiff Northwest Pallet respectfully requests that this Honorable Court enter judgment in their favor on Count II of this Complaint against Defendant PECO and award damages for an amount in excess of \$75,000.00, reasonable attorneys' fees, plus costs of suit and for such other and further relief as this Honorable Court deems equitable and just.

**COUNT III**  
**Promissory Estoppel**

49. The allegations in Paragraphs 1 through 24 are incorporated by reference as though fully set forth herein.

50. PECO made an unambiguous promise under its ARP to adequately compensate Northwest Pallet for each and every red PECO pallet returned to a PECO distribution center.

51. Northwest Pallet relied on PECO's promise to adequately compensate Northwest Pallet under the ARP to Northwest Pallet's detriment for each and every red PECO pallet Northwest Pallet recovered and returned to PECO as part of PECO's ARP.

52. Northwest Pallet's reliance on PECO's promise to adequately compensate Northwest Pallet for recovering and returning red PECO pallets was expected and foreseeable by PECO.

53. Northwest Pallet relied on PECO's promise to adequately compensate Northwest Pallet under the ARP to Northwest Pallet's detriment when, among other things, Northwest Pallet entered into agreements with its third party customers to purchase all of their pallets in providing Total Pallet Solution services to its customers. Incidental thereto, Northwest Pallet recovers and returns any PECO red wood pallets which happen to be part of the trailer load of

pallets picked up by Northwest Pallet from its customers' distribution centers and incurs substantial costs in relation thereto.

WHEREFORE, Plaintiff Northwest Pallet respectfully requests that this Honorable Court enter judgment in their favor on Count III of this Complaint against Defendant PECO and award damages for an amount in excess of \$75,000.00, reasonable attorneys' fees, plus costs of suit and for such other and further relief as this Honorable Court deems equitable and just.

**COUNT IV**  
**Tortious Interference with Contract**

54. The allegations in Paragraphs 1 through 24 are incorporated by reference as though fully set forth herein.

55. Northwest Pallet entered into several valid and enforceable contracts with national retailers to provide Total Pallet Solutions services.

56. PECO is and has been aware of many of these contractual relationships between Northwest Pallet and national retailers since, on information and belief, PECO bid on some of the same contracts, whereby Northwest Pallet would provide the national retailers with Total Pallet Solutions services.

57. PECO intentionally and unjustifiably has attempted to induce a breach of the contracts between Northwest Pallet and the national retailers through PECO's abrupt decision to cease compensating participants in PECO's ARP like Northwest Pallet and its refusal to pick up of pallets. PECO's decision to stop compensating Northwest Pallet and its refusal to pick up and accept pallets was intentionally done to prevent Northwest Pallet from providing its Total Pallet Solutions services.



58. Northwest Pallet has been damaged by PECO's intentional interference, including but not limited to, through incurring added costs while attempting to provide the Total Pallet Solutions services it contracted to perform for national retailers.

WHEREFORE, Plaintiff Northwest Pallet respectfully requests that this Honorable Court enter judgment in their favor on Count IV of this Complaint against Defendant PECO and award damages for an amount in excess of \$75,000.00, reasonable attorneys' fees, plus costs of suit and for such other and further relief as this Honorable Court deems equitable and just.

**COUNT V**  
**Tortious Interference with Business Expectancy**

59. The allegations in Paragraphs 1 through 24 are incorporated by reference as though fully set forth herein.

60. Northwest Pallet has a reasonable expectancy to enter into business relationships with national and local retailers to provide pallet recycling services, such as its Total Pallet Solutions services.

61. Northwest Pallet has a reasonable expectancy to enter into business relationships with other pallet recyclers around the country in order to provide its services to retailers and distribution centers across the country.

62. PECO knows and has known of Northwest Pallet's expectancy to enter into these business relationships.

63. PECO has tortiously interfered with those relationships by harassing Northwest Pallet's national retailer customers and partner recyclers with threats of being dragged into litigation if they continue to do business with Northwest Pallet. Representatives from PECO have placed dozens of calls and emails and have even physically visited several of Northwest

Pallet's national retailers and recycling partners, articulating these threats of being sued and insinuating that Northwest Pallet has been engaging in some illegal activity.

64. PECO has further interfered with Northwest Pallet's business expectancies by reversing and reneging on its promise to compensate pallet recyclers like Northwest Pallet a certain amount for the return of red PECO pallets and refusing to pick up and accept PECO pallets. This reversal, coupled with PECO's overt acts of interference directed at the national and local retailers Northwest Pallet conducted business with, prevents Northwest Pallet from realizing its business relationships related to its Total Pallet Solutions business.

65. PECO's interference with Northwest Pallet's business has actually caused Northwest Pallet damage, including but not limited to lost business and higher costs incurred while recycling and returning pallets.

WHEREFORE, Plaintiff Northwest Pallet respectfully requests that this Honorable Court enter judgment in their favor on Count V of this Complaint against Defendant PECO and award damages for an amount in excess of \$75,000.00, reasonable attorneys' fees, plus costs of suit and for such other and further relief as this Honorable Court deems equitable and just.

**DATED:** August 14, 2015

Respectfully submitted,

**Northwest Pallet Supply Co.**

/s/ Daniel W. Tarpey

One of Its Attorneys

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**CERTIFICATE OF SERVICE**

I, undersigned attorney, hereby certify that on August 14, 2015, I electronically filed Plaintiff's Amended Complaint with the Clerk of the Court by using the CM/ECF system, which Plaintiff also provided via FedEx and hand delivery to the following:

PECO Pallet, Inc.  
c/o Registered Agent Jeffrey T. Baker  
1 Old St., Capitol Plaza, Suite 200  
Springfield, IL 62701

/s/ Daniel W. Tarpey

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